

Critique of IDRC's Strategy, Naser Faruqui, November, 2000.

Executive Summary

The IDRC's "Corporate Strategy and Program Framework" (CSPF) for 2000-2005, describes the subject areas where IDRC will support research. While the topics selected may be strategic because they respond to IDRC's external opportunities and the strength of its staff, they do not respond to IDRC's external threats and internal weaknesses. Despite some notable successes, IDRC is virtually unknown among most Canadian taxpayers and elected officials. Moreover, one might expect more visible improvements in the lives of the poor, arising from 30 years of IDRC work, and more than \$3 billion in research grants. These factors represent a danger that the Canadian government could eliminate the IDRC or merge it with CIDA. IDRC-supported research has not yet attained its full potential of achieving measurable results. This is because of insufficient project monitoring, a lack of attention to the dissemination and implementation of its research results, and insufficient geographic focus. A five-year strategic plan that eliminates these three weaknesses is proposed. It is also recommended that IDRC standardize a formal strategic planning process that responds to critical issues in a proactive, holistic and methodical manner.

Introduction

Purpose

The document critiques the existing strategy of the International Development Research Centre (IDRC), and proposes a more effective one.

Problem

IDRC is a Canadian funded organization that supports scientists in developing countries to conduct research that will help solve their social, economic and environmental problems. While IDRC is a crown corporation, it was set up to operate at arms-length from the Canadian government, thus giving its operations considerable independence.

In addition to its head-office in Ottawa, IDRC has seven offices in the South: Singapore, New Delhi, Cairo, Dakar, Nairobi, Johannesburg and Montevideo. IDRC's \$85 million annual budget is used to support its recipients as well as to cover the salaries of its Program Officers (POs) – specialists, who help develop the research proposals, monitor the research projects and help guide the work. IDRC's POs are often leading experts in their fields, and, over the years, IDRC has earned a strong reputation among the development community both internationally and within Canada.

Notable successes include helping the mass democratic movement in South Africa prepare for a post-Apartheid state, and developing a disease resistant variety of Canola

for China, as well as technology to harvest drinking water from fog for remote communities in Chile.

Scope

This document describes IDRC's current strategy and then critiques it, while simultaneously building the groundwork for a new strategy. The following framework for analysis is employed: business and competitive environment, organizational size-up, positioning analysis, synthesis, defining direction and taking action.

Description of IDRC

Strategy

As shown in Exhibit I, IDRC has a five-year strategy entitled "Corporate Strategy and Program Framework" (CSPF) for 2000 – 2005. CSPF describes IDRC's corporate goals arising from its parliamentary mandate, while outlining the subject areas where IDRC will offer research support, including social and economic equity and natural resources management, and the rationale behind the choices. It also offers guiding principles about how the Centre will work. The development of the CSPF was a strategic exercise, but responds only to IDRC's opportunities and strengths. It does not respond to IDRC's external threats or its internal weaknesses. Yet a lack of response to these threats and weaknesses may threaten IDRC's very existence as an institution, and may result in further cuts to its budget, threatening IDRC's ability to deliver programming outlined in its five-year CSPF. The CSPF, then, is an insufficient strategy for IDRC.

While it has not proactively responded to the threats and weaknesses with a holistic, formal strategy, IDRC is reacting to some of them with disparate, ad-hoc activities. Some of these activities are written down in formal and informal documents, others in memoranda, and some not at all.

The analysis that follows will be used to more methodically critique the development of the CSPF, and to build a new strategy.

Description and Analysis

Business and Competitive Environment

PEST

For the CSPF, the Centre analyzed changes to its external environment affected by political, economic, social and technological factors. It emphasized an increase in nationalism and fundamentalism, a drop in global aid flows by more than 20 per cent

during the 1990s, and revolutionary developments in information and communication technologies (ICTs). However, the Centre did not identify the most important change to its environment within Canada – a cut in the total foreign aid budget by more than 50 per cent between 1994 and 1999. IDRC's budget decreased from \$130 million in 1994 to \$85 million in 1999.

Forces driving industry competition

In the CSPF, IDRC did outline the approach of other donors, but not strategically. It correctly views other donors as partners, but does not also perceive them as competitors for aid budgets, both from within Canada and from other bilateral and multilateral donors. Nor does the Centre explicitly recognize that the main criterion used by donors to select a development organization for funding is the perception a program's ability to alleviate poverty.

Competitive strategies

In preparing its CSPF, IDRC analyzed competitive strategies for achieving development results. The most important strategy is scientific innovation, with which IDRC excels, because this encompasses the Centre's mandate. IDRC also recognizes the potential of information and communication technologies in helping achieve development results, such as using satellite remote sensing to locate water fissures in arid regions.

Organizational Size-up

IDRC has done an excellent job outlining its mission and purpose — to empower scientists in developing countries to solve their own problems. IDRC often uses the following metaphor: feeding a hungry man will allay his hunger for a day, while teaching him how to fish will allay his hunger for a lifetime. This mission is well understood by IDRC staff and partners, and by Canadian politicians and the public, when it is explained to them.

IDRC also understands that its competitive advantage is the core-skills of its POs, who freely share their knowledge, and can unleash the great potential in its recipients by coaching, teaching and guiding them.

Positioning Analysis

Many IDRC staff members from all levels believe that the Centre's clients are the researchers we support, or the poor in developing countries. This is untrue. The poor are our beneficiaries, and the researchers are our partners, but our clients are those that pay our bills — Canadian taxpayers through the government of Canada. We create value by demonstrating the positive impact aid has on the poor, thereby making Canadians feel good about their contribution. Public surveys consistently demonstrate high support for

foreign aid when it is clear the aid gets results. This means that IDRC's product must go beyond the research grants and broaden its focus to include concrete research results, changes in government policies, and improvements in the lives of the poor. This requires a greater focus on project monitoring to ensure that researchers receive adequate guidance, so that optimal results are attained. Dissemination of the research results to decision-makers in developing countries, and to other donors, is essential, so that the results of the research can be implemented. IDRC has historically focused on the research and left the dissemination, especially the policy-uptake, to other donors. While the second objective of the CSPF is dissemination and policy-uptake, no specific action plan was developed to achieve this, and it is far from clear that IDRC staff, Board of Directors, and Senior Management have bought into this idea.

IDRC has not had much success selling its product. Few Canadian taxpayers are even aware that IDRC exists, despite its noteworthy successes. IDRC does have a strong Web site and public affairs department that arranges media interviews and coverage of IDRC projects and POs. And this year, for the first ever, IDRC held an open-house market day, allowing members of the public to see first hand what IDRC does.

Synthesis

SWOT

IDRC did not conduct a comprehensive SWOT analysis when it formulated its CSPF (a SWOT is included in Exhibit II).

The elimination of the federal deficit, which may result in a stable or even growing economy, presents a major opportunity for IDRC. However, because IDRC has attained a small number of development successes, and because it is relatively unknown among Canadians, it could face greater cuts or may even be eliminated all together.

Internally, IDRC does recognize that its greatest strengths are its POs, who are often more knowledgeable than their counterparts at other development organizations, and more able to explain IDRC's mission in a manner that ensures public support.

IDRC does recognize that its financial performance over the last couple of years has not been strong, and that it has been weak in implementing its research results. However, IDRC has not acknowledged that to do this, it must deal directly with policy-makers including politically powerful people in developing countries. Nor does it recognize that other donor agencies, even other Canadian organizations such as CIDA, are usually not interested in implementing IDRC's research, and that it must do this itself. IDRC also does not recognize that despite the excellence of its staff, project monitoring has deteriorated in recent years. Program Officers, who are pressed for time and who's long-term vision is limited by a yearly budget, have been more focused on developing the next project than on monitoring the ones they implemented last year. Nor does IDRC

recognize the link between this insufficient monitoring and its relatively few successes. The vast majority of research projects supported have not achieved real measurable results. Given the nature of research and the nature of the researchers IDRC supports, very few of its projects can be expected to be unqualified successes. However, with over 30 years of operation experience including 3,000 research grants totaling \$3 billion, far more successes would have been possible had the recipients been better helped through more careful monitoring. Finally, IDRC does not fully appreciate that its programming is stretched over too many countries.

Strategy: What is make-or-break and positioning?

Within five years, IDRC must demonstrate to Canadians concrete results arising from the implementation of high-quality research. IDRC needs to develop a complete and marketable product. Thus, IDRC's make-or-break issues over the next five years are to lay the groundwork leading to better quality research results, achieve them, and then implement these results to ensure the lives of the poor will be visibly improved.

The key to this strategy is the first step — obtaining better results from each research project it funds, because poor results will not be implemented. Increasing the proportion of research projects that succeed depends on better support from Program Officers. Although POs are knowledgeable and well meaning, this does not mean they are good coaches, or disciplined enough to monitor frequently. Sometimes they want to monitor more frequently, but do not have the time because they are working in too many countries, thus limiting the number of field visits they can make to each project. Working in fewer countries will result in less travel stress on POs, and the ability to spend more time coaching individual recipients. It also offers the advantage of synergy, as the results gathered for one research project in a particular country can frequently feed into another. Finally, it will help IDRC work with governments to implement research results, because the more time spent working in the country will improve relationships between IDRC staff, local NGOs and local government decision-makers.

Core competence

Additional core-competencies necessary for this full-range positioning are coaching skills for better monitoring, and skills in disseminating and implementing projects and policy. Most IDRC personnel lack the latter skills. New staff must be hired for this purpose.

Defining direction

On the basis of forgoing analysis, the four key strategic objectives for IDRC over the next five years are:

- Balancing its operational budget within a year;

- Attaining an 80 per cent monitoring approval rate by recipients;
- Setting-up a research dissemination and policy-uptake branch within two years;
- Cutting by 50 per cent the number of countries in which new projects will be supported by fiscal year 2002-03.

It is unfair to suggest that, within IDRC, there has never been any discussion of the forgoing objectives or the analysis that led to them. Certainly, a few IDRC staff-members have raised the issue of poor monitoring. Recently, a memorandum about clearly disseminating IDRC research results was issued by the President's office. However, the issues have never been linked in an integrated way, or developed into an action plan that recognizes their critical importance. Not surprising, the one exception is cutting costs. IDRC is already strategically taking swift action to cut costs by means of an operational-review working group. The group proposed 10 high-potential initiatives, and then narrowed their focus down to cutting IDRC's regional offices, reducing free-services offered by the library, and outsourcing IDRC publications. So far, this strategic objective has progressed well.

Taking Action

Action plans

For each of the three strategic objectives, two strategic thrusts have been identified, with two broad action plans developed for each strategic thrust. The results are presented in Exhibit III. The action plans open-ended, allowing task force leaders to fill-in the details as they take action.

Communicating the strategy

At this stage, the key audience for the strategy is the Minister of Foreign Affairs, IDRC's Board of Directors, its recipients and staff. The content will be simple — IDRC will focus on achieving quality results, which are then implemented in a relatively small number of countries. The strategy's status will be communicated in IDRC's annual report.

Barriers to implementation

IDRC program staff will likely support the plan because it enables them to do what they want, which is focusing on programming, and gives them the time to do it. Some of the staff may resist a more disciplined monitoring strategy and schedule, but if this objective is supported with training, and staff are made accountable and rewarded for monitoring instead of developing new projects, they will come around. Some staff wedded to working in a region or particular country where programming will be phased-out may oppose the strategy, but no IDRC PO works exclusively in one country, and all will be given the opportunity to begin working in another. The most significant barrier will be political — some countries may put pressure on the Ministry of Foreign Affairs to prevent IDRC from withdrawing programming. However, IDRC can resist this pressure, since it

is an independent Crown Corporation, not bound by the same rules or political considerations as CIDA or the Ministry of Foreign Affairs.

Follow up Activities

Immediate follow up

The strategic plan will begin by publishing the agenda, communicating the strategy to all employees through meetings in head-office and the regional offices, and appointing a task force led by a champion for each strategic objective. The task force will further develop the strategic plan by setting up schedules and appointing champions for each strategic thrust.

Short-term follow up activities (within three months)

Funding for the action plan will be built into next year's operational budget. Each strategic objective task force will meet quarterly to review progress and refine the plan.

Periodic follow up

Each task force team and champion will be evaluated annually on their performance. The strategic plan itself will be revisited at the beginning of each fiscal year for refinement as necessary.

Conclusion

IDRC does have a corporate strategy and program framework for 2000-2005. However, the CSPF is more an operational plan than a strategic plan because it describes the necessary corporate goals for achieving IDRC's mandate, and identifies subject areas where IDRC will support programs. It is not strategic because the framework does not respond to the make-or-break issues concerning IDRC's external opportunities and threats, nor does it address IDRC's internal strengths and weaknesses. In particular, IDRC could be eliminated by the Canadian government or suffer further budget cuts because it barely registers on the radar screens of Canadian taxpayers, and because it has relatively few concrete development successes. In addition to cutting costs to balance its budget, which IDRC is already doing, this document proposes three strategic objectives to be implemented over the next five years:

- Attaining an 80 per cent monitoring approval rate by recipients;
- Setting-up a research dissemination and policy-uptake branch within two years; and,
- Cutting by 50 per cent the number of countries where new projects will be supported by fiscal year 2002-03.

The five-year strategic plan should be refined each year, and then replaced with a new plan at the end of the period. IDRC must institutionalize a formal strategic planning process that responds to critical issues in a pro-active, holistic and methodical manner, instead of its current reactive, ad-hoc and disparate response.

References

The International Development Research Centre (2000). “Corporate Strategy and Program Framework, 2000 –2005.”

Richardson, Wong, and Nightingale, (Undated). Queen’s Strategy Workbook, Queen’s Executive Development Centre.

Exhibit I

Verbatim Excerpts from IDRC's Corporate Strategy and Program Framework 2000 –2005.

The IDRC Act of 1970 provides IDRC with its **legal mandate** (IDRC Act, 1970) "...to initiate, encourage, support and conduct research into the problems of the developing regions of the world and into the means for applying and adapting knowledge to the economic and social advancement of those regions...". The **mission** of IDRC will remain "**empowerment through knowledge**" -- helping people of developing countries create, adapt, and acquire the knowledge they judge to be critical to their own prosperity, security and equity. The Centre will retain the principles of **sustainable and equitable development** as a foundation for all its programming, and continue to recognize **respect for human rights** as an integral part of development.

Strategic Goals: 2000 - 2005

- IDRC will strengthen and help to mobilize the indigenous research capacity of developing countries, especially directed to achieving greater social and economic equity, better management of the environment and natural resources, and more equitable access to information.
- IDRC will foster and support the production, dissemination, and application of research results leading to policies and technologies to enhance the lives of people in developing countries.
- IDRC will explore new opportunities and build selectively on past investments within its new program framework.

Guiding Principles

- A number of principles derived from the IDRC Act and the Centre's experience will guide us as we implement our framework:
- The Centre will continue to respond to the priorities and needs expressed by those in developing countries and to exercise our own judgement in deciding whether to enter major new areas.
- The Centre will continue to focus its greatest attention on supporting research carried out by Southern researchers.
- To improve research capacity, the Centre will concentrate on human resources and will strengthen existing institutions and the climate for research in developing countries. It will devolve responsibility to institutions in the South.

- The Centre will continue to rely heavily on the creative judgement of its staff.
- The Centre will explore more actively the potential for research... into the means for applying and adapting scientific, technical and other knowledge (quoted from the 1970 Act) to development problems.
- The Centre will sustain the institutional transformation it underwent in 1995 and will continue to embrace a wide range of approaches to research and a flexible understanding of the nature of research. Where circumstances permit, IDRC will play a catalytic role by convening the principal players with knowledge of and interest in solving a particular problem.
- The Centre will ensure that it supports research that takes account of gender. It will also support an enhanced program to contribute to international debate on gender and development.

A set of activities called **program complements** will continue to play a critical role in the Centre's work. They are:

- Support of collaborative "knowledge-based" partnerships between Canadian institutions and those in the South.
- Partnerships with other donors, the most important of which has been with the Canadian International Development Agency, and with the private sector.
- In-house expertise and a field presence in seven offices in the South.
- Evaluation as a tool for learning and decision-making about research.
- The provision of research information to the Centre's Southern partners.

Program Framework

IDRC's programming framework is not a plan, but presents key areas from which program choices will be made. It also incorporates considerable flexibility to respond to issues not yet identified. The three broad Corporate Program Areas are:

- Social and Economic Equity
- Environment and Natural Resource Management
- Information and Communication Technologies (ICTs) for Development

Exhibit II

IDRC SWOT Analysis

Opportunities

- Elimination of Canadian federal deficit
- Increased recognition of importance of research for socio-economic success
- Information and Communication Technologies to increase efficiency

Threats

- Elimination by the Canadian government
- Continued Cuts to Parliamentary Appropriation
- IDRC not well known by Canadian Public/Decision-makers

Strengths

- World-class experts amongst its staff
- Simple, easily-understood, and attractive mission
- Extensive network of contacts amongst researchers and other donors

Weaknesses

- Insufficient project monitoring resulting in relatively few concrete, visible development successes
- Moving past research to dissemination, implementation of research results, and policy change
- Programming stretched over too many countries

Exhibit III

Strategic Objective: Attain an 80 per cent monitoring approval rate by recipients within five years

Strategic Thrust: Set-up guidelines for monitoring in the field

Action Plan 1—Identify how successful projects were monitored

- Who: Director Evaluation Unit
- How:
- When:
- How much:

Action Plan 2—Develop Monitoring Training Program for POs

- Who: Director Evaluation Unit
- How:
- When:
- How much:

Strategic Thrust: Set-up guidelines for monitoring from the head-office

Action Plan 1—Identify format for concise, monthly reports

- Who: Director—Environmental and Natural Resources Area
- How:
- When:
- How much:

Action Plan 2—Develop minimum tele-conference schedule

- Who: Director—Environmental and Natural Resources Area:
- How:
- When:

- How much:

Exhibit III, Con't

Strategic Objective: Set-up a post-project research dissemination and policy-uptake branch within two years

Strategic Thrust: Develop concept for branch

Action Plan 1—Develop research dissemination plan

- Who: Newly Hired VP for Branch
- How:
- When:
- How much:

Action Plan 2—Study development policy branches in other donor organizations

- Who: Newly Hired VP for Branch
- How:
- When:
- How much:

Strategic Thrust: Staff and set-up up branch

Action Plan 1—Identify required qualifications of staff

- Who: Newly Hired VP for Branch
- How:
- When:
- How much:

Action Plan 2—Recruit and hire staff

- Who: Newly Hired VP for Branch :

- How:
- When:
- How much:

Exhibit III, Con't

Strategic Objective: Cut the number of countries in which new projects will be commenced by one-third.

Strategic Thrust: Identify in which countries IDRC will support projects

Action Plan 1—Identify the criteria for choosing the countries

- Who: VP Programs
- How:
- When:
- How much:

Action Plan 2—Go through a strategic planning session to choose them

- Who: VP Programs
- How:
- When:
- How much:

Strategic Thrust: Develop an action plan for withdrawing from those countries

Action Plan 1—Identify how quickly in each country IDRC will withdraw

- Who: Regional Director
- How:
- When:
- How much:

Action Plan 2—Develop a communication plan to inform countries of planned withdrawal

- Who: Regional Director
- How:
- When:
- How much: